


# Economic Development Advisory Council

Roles and Responsibilities



## **EDAC Statutory Responsibilities** (MCA 2-15-1820)

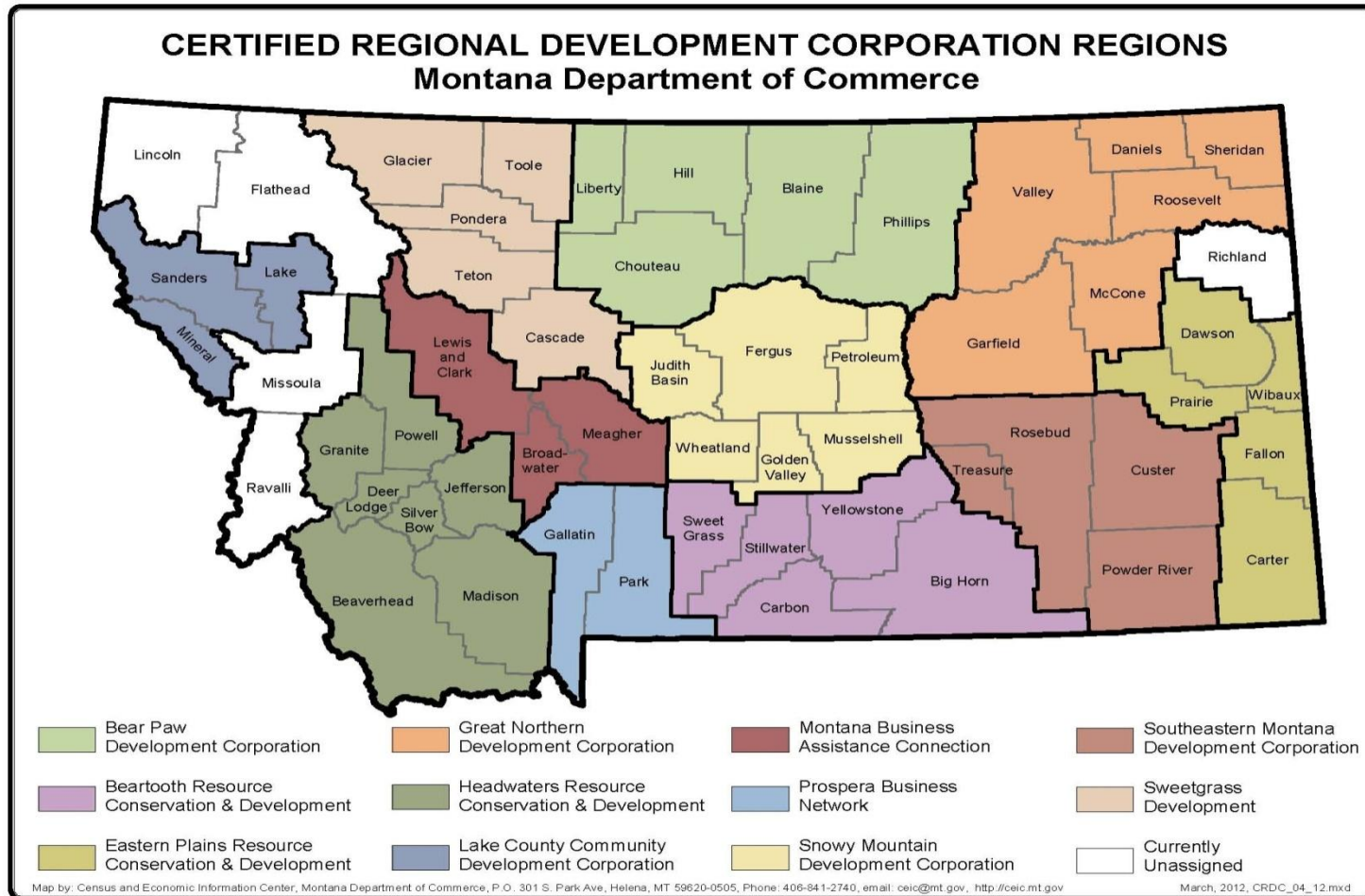
- (6) The council shall:
    - (a) advise the department concerning the distribution of funds to certified regional development corporations .....
    - (b) advise the department regarding the creation, operation, and maintenance of the microbusiness finance program .....
    - (c) advise the governor and the department on significant matters concerning economic development in Montana;
    - (d) prescribe allowable administrative expenses for which economic development funds may be used by certified regional development corporations; and
    - (e) encourage certified regional development corporations to promote economic development on Indian reservations in their regions.
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# Certified Regional Development Corporations (MCA 90-1-116)

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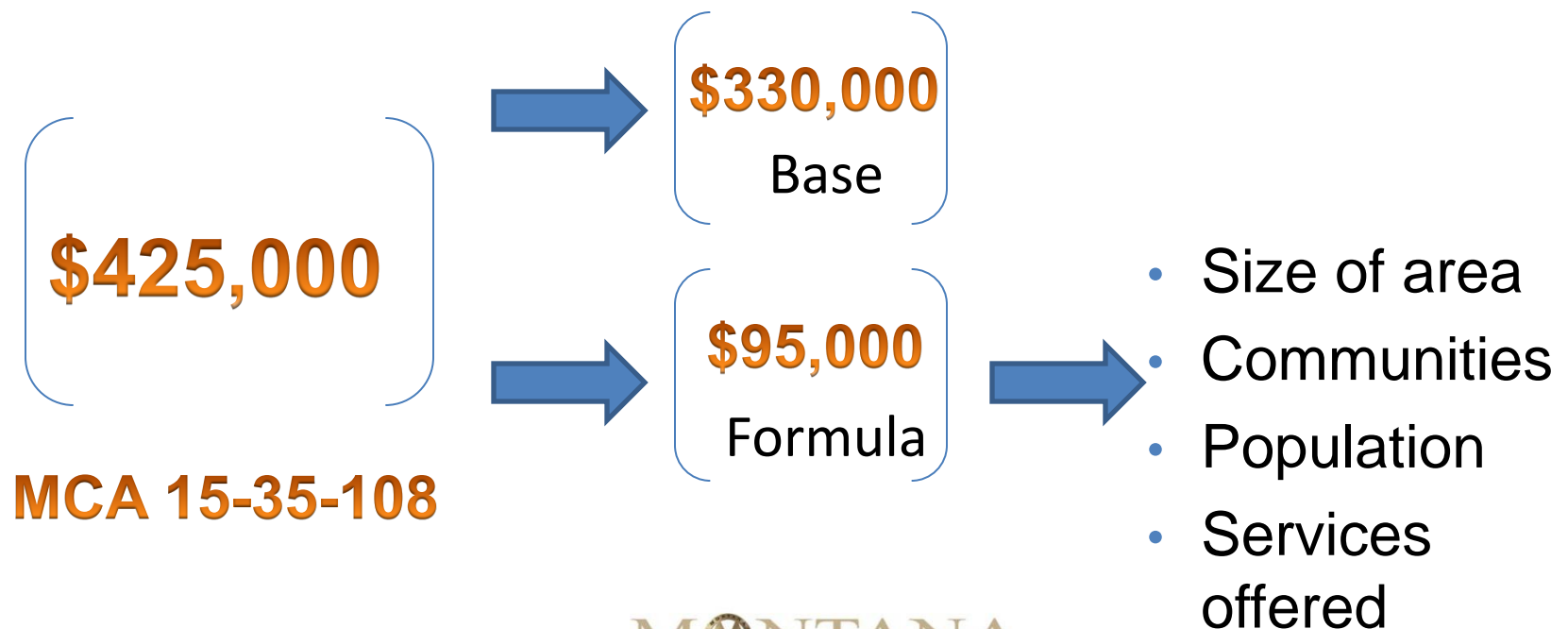
- *Definition of "Certified regional development corporation"*
  - *a private, nonprofit corporation that has been designated by the department through a competitive process to manage and administer funds and programs for the department on a regional basis.*
- *Required Attributes:*
  - *Revolving loan fund management*
  - *Small business technical assistance*
  - *Regional strategic planning*
  - *Management of state and federal programs*

# CRDC REGIONS



(6) The council shall:

(a) advise the department concerning the distribution of funds to certified regional development corporations .....



# Administrative Rule

- 8.99.303 ASSISTANCE GRANTS DISTRIBUTION
- (1) The department shall set aside assistance grants annually based upon the following :
  - (a) \$30,000 to each CRDC for providing services to their respective regions based upon receipt of an acceptable work plan. For the purpose of this rule, services means work in the development and management of revolving loan funds, business technical assistance, state and federal grants and programs, local and regional planning, business retention and expansion programs, and business recruitment programs;
  - (b) The remainder divided among the CRDCs according to the following formula:
    - (i) 35% shall be distributed based on the **number of counties** in the region served;
    - (ii) 25% shall be distributed based on the **population** of the region served;
    - (iii) 25% shall be distributed based on the size of the **geographic area** of the region served; and
    - (iv) 15% shall be distributed based on the **number of communities** served;
  - (c) all assistance grants will be distributed on a quarterly basis, in the department's sole discretion.

# CRDC Funding CY 2012

Certified Regional Development Corporation	Part A: \$30,000 Funding	Part B: Formula Funding	TOTAL FUNDS AWARDED	Quarterly Amount
Bear Paw Development Corporation	\$ 30,000	\$ 9,479	\$ 39,479	\$ 9,869.64
Beartooth RC&D	\$ 30,000	\$ 13,398	\$ 43,398	\$ 10,849.38
Eastern Plains Economic Dev. Corp.	\$ 30,000	\$ 6,043	\$ 36,043	\$ 9,010.66
Great Northern Development Corporation	\$ 30,000	\$ 9,128	\$ 39,128	\$ 9,782.07
Headwaters RC&D	\$ 30,000	\$ 11,693	\$ 41,693	\$ 10,423.29
Lake County Community Development Corp.	\$ 30,000	\$ 6,376	\$ 36,376	\$ 9,094.07
Montana Business Assistance Connection	\$ 30,000	\$ 6,529	\$ 36,529	\$ 9,132.33
Prospera Business Network	\$ 30,000	\$ 7,361	\$ 37,361	\$ 9,340.32
Snowy Mountain Development Corporation	\$ 30,000	\$ 7,859	\$ 37,859	\$ 9,464.79
Southeastern Montana Development Corp.	\$ 30,000	\$ 6,273	\$ 36,273	\$ 9,068.20
Sweetgrass Development	\$ 30,000	\$ 10,861	\$ 40,861	\$ 10,215.26
TOTAL	\$ 330,000	\$ 95,000	\$ 425,000	\$ 106,250.00
		<u>\$ 95,000</u>	<u>\$ 425,000</u>	\$ 425,000.00



# CRDC Administrative expenses

## MCA 90-1-116

*(6) The council  
shall.....*

*(d) prescribe allowable  
administrative expenses  
for which economic  
development funds may  
be used .....*

## 8.99.304 ASSISTANCE GRANTS – ALLOWABLE USES

1. personnel and operating expenses; and
2. any other expenses deemed necessary by the council to maintain the organization's certification as a CRDC.

# MICROBUSINESS FINANCE PROGRAM (MBFP)

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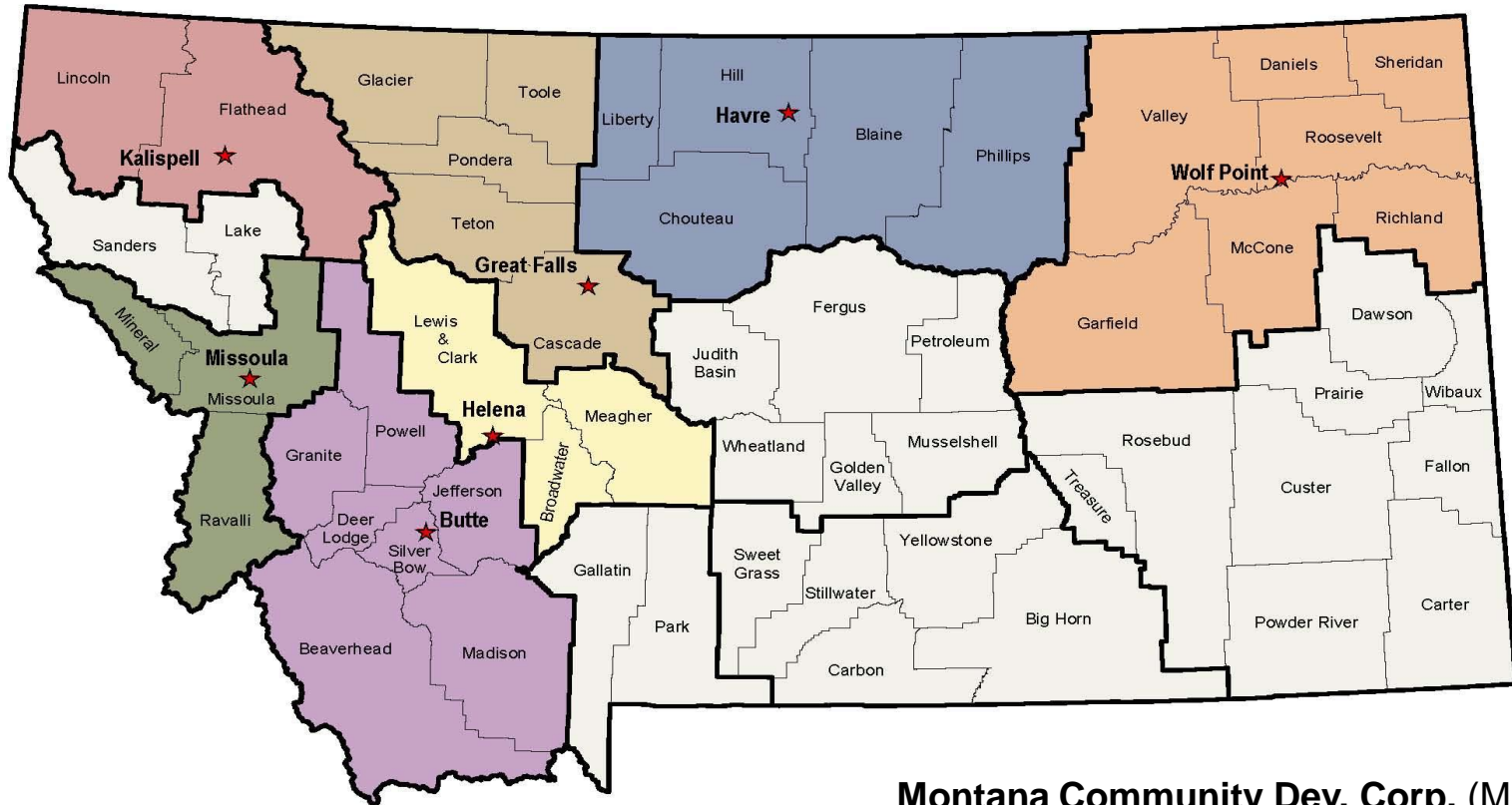
- Created in 1991 by the 52<sup>nd</sup> Legislature (HB477)
- Received two appropriations from the Coal Tax Trust Fund in 1991 and 1995
- \$4.689 Million to loan
- \$4,458,356 currently lent or committed

# Program Specifics

- Montana-based businesses with 10 or fewer employees
- Gross annual revenue of less than \$1,000,000
- Borrow up to \$100,000
- Microbusiness Development Corporations provide
  - capital to start or expand a business
  - training and technical assistance to the business owner.

## MICROBUSINESS FINANCE REGIONS

Montana Department of Commerce - Business Resources Division



**Montana Community Dev. Corp. (Missoula)**

**Headwaters RC&D Area, Inc. (Butte)**

**Bear Paw Dev. Corp. (Havre)**

**Jobs Now, Inc. (Kalispell)**

**Montana Business Assist. Connection (Helena)**

**Great Falls Dev. Authority (Great Falls)**

**Great Northern Dev. Corp. (Wolf Point)**

# MBFP Administrative Rules

8.99.401 → 8.99.511

- Reporting Requirements
- Certification Process
- Development Loan:
  - Criteria
  - Application Process
  - Interest
  - Terms
- Matching Contributions
- MicroBusiness loans eligibility / terms & conditions

# MBDC ACCOMPLISHMENTS

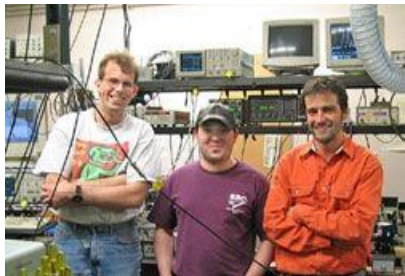
## 1991 → March 31, 2012

# of Loans Made:	1031
\$ of Total Loans:	\$20,542,615
* * * *	
# of Loans Repaid:	731
\$ of Loans Repaid:	\$12,838,646
* * * *	
\$ Amount of Loans Written-off:	\$ 2,223,096
* * * *	
FTEs (created & retained)	2292

# MBDC DEVELOPMENT LOAN AMOUNTS UNDER CONTRACT

Jobs Now, Inc. (Kalispell)	\$400,000
Montana Community Development Corporation (Missoula)	\$1,625,000
Headwaters RC&D Area, Inc. (Butte)	\$233,252
Great Falls Development Authority (Great Falls)	\$500,000
Bear Paw Development Corporation (Havre)	\$776,105
Montana Business Assistance Connection (Helena)	\$550,000
Great Northern Development Corporation (Wolf Point)	\$373,999





# CERTIFIED REGIONAL DEVELOPMENT CORPORATION REGIONS

## Montana Department of Commerce

**Montana West  
Economic Development**

**Great Northern Development Corp.**

**Bear Paw Development Corporation**  
of Northern Montana



Lake County Community Development Corporation



GREAT FALLS MONTANA  
DEVELOPMENT AUTHORITY



MONTANA COMMUNITY DEVELOPMENT CORPORATION

**Snowy Mountain  
Development**

**Eastern Plains  
Economic  
Development  
Corporation**



Prospera  
BUSINESS NETWORK

**Southeastern Montana  
Development Corporation  
(SEMDC)**



**headwaters**  
RESOURCE CONSERVATION DEVELOPMENT

**Beartooth**

RESOURCE CONSERVATION & DEVELOPMENT  
ECONOMIC DEVELOPMENT DISTRICT



Bear Paw Development Corporation	Great Northern Development Corporation	Montana Business Assistance Connection	Southeastern Montana Development Corporation
Beartooth Resource Conservation & Development	Headwaters Resource Conservation & Development	Prospera Business Network	Sweetgrass Development
Eastern Plains Resource Conservation & Development	Lake County Community Development Corporation	Snowy Mountain Development Corporation	Currently Unassigned